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DE RUEHAK #2042/01 1041158
ZNY CCCCC ZZH
R 141158Z APR 06
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC 4810
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUEKJCS/SECDEF WASHDC
RHEHAAA/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 ANKARA 002042

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EUR FOR MATT BRYZA

E.O. 12958: DECL: 04/14/2016
TAGS: [ENRG](#) [EPET](#) [MARR](#) [PREL](#) [TU](#)
SUBJECT: TURKEY FM GUL AND DAS BRYZA ON ENERGY, CYPRUS, EU,
AND MORE

Classified By: AMBASSADOR ROSS WILSON FOR REASONS 1.4 (B) AND (D)

¶1. (C) Summary: At a meeting with Turkey FM Abdullah Gul, EUR DAS Matt Bryza covered PKK, regional energy, Greece, EU, Cyprus, Armenia and Iran issues, almost universally citing shared objectives. Bryza emphasized that the U.S. sought to enable Turkey to take tough decisions to resolve Cyprus and other issues that might impede EU accession. Bryza called for quick action by Turkey to support commitment of early Azeri gas deliveries to southern Europe. End Summary.

¶2. (C) EUR DAS Matt Bryza and Ambassador met with Turkish Foreign Minister Abdullah Gul and PM Senior Advisor Ahmet Davutoglu on April 5. Gul was warm and in good spirits, having recovered from an ear operation, which precluded his travel to the American Turkish Council meetings in Washington D.C. He said that he was half-way through a two month no-fly proscription. Gul started the meeting by expressing his invitation that Secretary Rice visit Turkey soon. Gul emphasized the

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importance he imparted to U.S.-Turkey relations, describing them as the pillar of Turkey's foreign policy. He called for broadening engagement beyond political relations to economic and cultural spheres.

¶3. (C) PKK: DAS Bryza welcomed Gul's comments and thanked him specifically for his positive statements on U.S. efforts against PKK in Europe. He said we should cooperate even more and increase sharing of actionable law enforcement information to allow further progress against PKK operatives and support mechanisms in Europe. Gul stated that the PKK was becoming more active and inciting more incidents in Turkey,s Southeast. He recognized that there was some genuine Kurdish frustration with political and social conditions in Turkey, but stressed that this could never justify terror. Gul stated that Turkish security forces were on high alert. At the same time, he emphasized some positive democratization steps by the GOT, such as three stations broadcasting in Kurdish.

¶4. (C) DAS Bryza reminded Gul that the U.S. condemns Roj TV.

Ambassador stated that our Embassy was making a demarche on

Roj TV in Copenhagen.

15. (C) Regional Energy: DAS Bryza stated that Turkey enjoyed an opportunity to help Europe strengthen its energy security by diversifying its natural gas supplies. Relating his conversations the previous week with senior Greek energy officials Athens (septel), Bryza detected a brief window of a few months during which Azerbaijan could secure a share of gas markets in Greece and Italy, if all concerned countries, including Turkey, moved quickly to provide a throughput commitment to the Turkey-Greece-Italy (TGI) pipeline. Bryza recounted how senior officials in both Athens and Rome had told him they faced considerable pressure from Gazprom to sign long-term contracts to fill the TGI pipeline exclusively with Russian gas, which would reach Greece via an expanded Blue Stream pipeline between Russia and Turkey (under the Black Sea). Athens and Rome would likely conclude such a long-term agreement with Gazprom, unless Azerbaijan could demonstrate an ability to deliver gas in sufficient volume to secure financing for the TGI pipeline. Otherwise, Azerbaijan would lose access to the Greek and Italian markets for years.

Bryza stressed that Greek, Italian, and Azerbaijani officials (including President Aliyev) sought Turkey's help to realize this "Southern Corridor" of gas transit to Europe by working together with the governments and interested companies. By increasing commercial competition in this way, the "Southern Corridor" could help redress gas

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market failures in Europe, arising from Gazprom's ability to purchase gas in Central Asia for \$45 to \$65 per thousand cubic meters and sell it in Europe for \$265. Bryza emphasized that this policy was not anti-Russian but rather, was anti-monopoly; it aimed to increase competition, (but not confrontation), which would accrue to all countries' benefit.

16. (C) Minister Gul enthusiastically endorsed these objectives, noting, "we are fully with you," and "this strategic vision reflects Turkey's strategy." He suggested that Turkmenistan be incorporated into the "Southern Corridor," and agreed on the need to lessen monopoly forces. Gul stressed that the request for cooperation on this matter was reciprocal. Gul encouraged Byza to make these points with Energy Minister Guler, and to work closely with the MFA energy team of Mithats (Rende and Balkan, the latter newly assigned as energy coordinator), including potentially traveling together to the Caspian region.

17. (C) BTC: DAS Bryza touched on the BTC-BOTAS cost over-run dispute. He said that he could not evaluate the technical and commercial merits of the dispute, but he called for a negotiated solution that assures timely completion of this important project and protects Turkey's reputation as a reliable partner on major energy projects. Bryza recognized that if BOTAS and the GOT ultimately decided to accept some responsibility for the cost overrun, intervention with the Prime Minister

would likely be required to allow for payment of the agreed claim.
Minister Gul said he understood, and suggested that Bryza take up these points with Energy Minister Guler. Gul then asked for high-level USG participation at the July 13 first oil ceremony at Ceyhan.

18. (C) Greece-Turkey Relations: Responding to DAS Bryza's observation that the new Greek Foreign Minister was charismatic and ambitious, and likely to be an advocate of improved Greek-Turkey relations, Gul said he had met her in Strasburg and was optimistic that they would continue to improve Greece-Turkey relations. Gul cited the positive step of acquisition of a significant share of Turkish Finansbank by a Greek Bank, beating interest by Citibank.

19. (C) EU and Cyprus Minister Gul agreed that the GOT must do a better job in explaining to the public the importance of economic and other EU-mandated reforms. He noted that past leadership had succumbed to the easy path of appealing to populism. Gul stated that Turkey's current government was committed to long-term economic reform, citing that social security reform would be completed next week. He was personally following these issues and was proud of the accomplishments of the three-year old government. Gul said all ministries were working hard to keep Turkey's EU accession on track, and that the GOT sought to ensure Turkey's candidacy was judged strictly according to technical) rather than political -- criteria.

110. (C) DAS Bryza stated that the U.S. sought to enable Turkey to take tough decisions on Cyprus and keep Turkey's EU accession on track. Officials at the European Commission and member state governments perceived that reforms had stalled in Turkey. Bryza pressed for reopening of the Halki Seminary. He recounted his discussions in Greece aimed at securing benefits for the Turkish minority (such as election of the mufti in Western Thrace), which could make it politically more feasible for Ankara to reopen

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the religious school and address the Ecumenical Patriarch's legitimate property concerns.

111. (C) On Cyprus, Bryza said the U.S. was working to reduce the isolation of Turkish Cypriots. The U.S. was also supporting efforts by UNSYG Annan to rejuvenate Cyprus settlement talks. Bryza reassured Gul that the U.S. supported the launch of technical talks on the 10 specific items agreed between the Turkish Cypriots and the UNSYG. But he also called on Turkish Cypriots and Greek Cypriots to agree on a common agenda, which might include the elements discussed by Annan and Republic of Cyprus President Papadopoulos in Paris. Bryza described U.S. efforts to work with the European Commission to help Turkey fulfill its obligations to open its ports to Greek Cypriot ships. Bryza reiterated U.S. support for FM Gul's comprehensive proposal on opening all ports on Cyprus and in Turkey as a worthy long-term goal, but cautioned that achieving it required interim steps. Perhaps the most promising option was the "Famagusta-Varosha" proposal, rejected by both sides during Luxembourg's EU Presidency, but possibly containing the nucleus of a way forward. (Note: According to this proposal, Famagusta port would open for trade with Turkish Cypriots, but be administered by the UN and/or EU. In exchange, the village of Varosha would return to Greek Cypriot jurisdiction. End note.)

¶12. (C) Minister Gul responded that he would consider the Famagusta-Varosha proposal. But Turkey had taken "so many steps" on Cyprus, having reversed Ankara's previous policy and ultimately supporting the Annan Plan and received little in return. He lamented that Papadopolos had openly advocated ejection of the Annan Plan, but had suffered no cost. Papadopoulos therefore had no incentive to compromise. If Papadopoulos simply rejected the entire Annan Plan, it would be impossible to move toward a comprehensive settlement. DAS Bryza agreed that the structure of the Annan Plan needed to form the starting point of settlement negotiations, but recommended that the Turkish side agree to stop referring to the "Annan Plan" by name. Bryza hoped that Papadopolos would outline his objections to the Annan Plan with clarity and specificity, in priority order, and in writing, as UNSYG Annan had requested in his post-referendum report.

¶13. (C) Armenia: FM Gul asked for U.S. support to defeat the latest Congressional resolution on the "Armenian Genocide." DAS Bryza said that - with separation of powers - we could not guarantee the outcome, but he assured the Minister that the Administration would sustain its policy of opposing such resolutions in principle. He noted that the Administration would have to work doubly hard this year, since the GOT's recent welcoming of Hamas leader Mishal at the Deputy Prime Ministerial level (e.g., by Gul himself) seemed to have cost Turkey significant Congressional support. Bryza lauded recent constructive offers by Turkey to advance discussions with Armenia on both the events of 1915 and current diplomatic and economic issues.

¶14. (C) Iran: Minister Gul emphasized that Turkey and the U.S. shared the same objectives and concerns with respect to Iran. He stressed that Turkey did not want WMD in the neighborhood. The Minister and DAS Bryza

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agreed that the U.S. and Turkey should coordinate their approaches. Gul added that Turkey's visible support for the U.S. position would increase as the UN process proceeded.

¶15. (U) EUR DAS Matt Bryza has cleared this cable.

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